



# THE INSURANCE OF CHILDREN

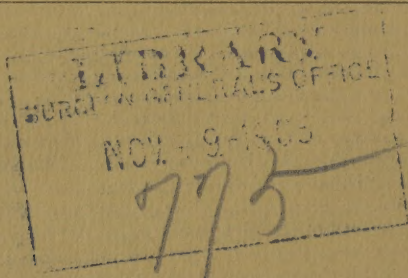
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## THE INSURANCE OF CHILDREN.

*Address of the Vice-President of the Metropolitan Life Insurance Company, before the Joint Committee on Insurance of the Massachusetts Legislature, March 20 and 21, 1895, on the bill to prohibit insurance of children under ten years of age.*

**Abbreviated Copy of Stenographic Report.**









# THE ISSUANCE OF CHILDREN

It is the duty of the parent to provide for the education of his children, and to see that they are properly brought up in the Christian religion, and to give them such instruction as may be necessary for their future life.

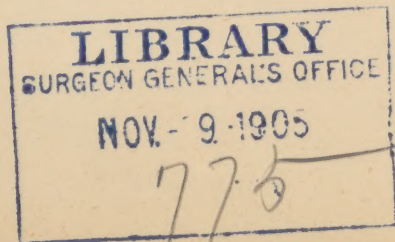
The parent is also bound to see that his children are properly clothed, and that they have a comfortable home, and that they are properly fed, and that they are properly educated, and that they are properly brought up in the Christian religion, and that they are properly instructed in the duties of life.

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## THE INSURANCE OF CHILDREN.

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MR. FISKE: *Mr. Chairman and Gentlemen:* We are very glad indeed to have the opportunity of coming before a judicial-minded Committee of one of the old States of the Union, where we have been in business for fifteen years, to make as complete an exposition as we can of what industrial insurance is, what we have accomplished, and what we believe its benefits are. And, further, we are very glad indeed to show what we believe to be the misconceptions of the business and its results on the community, which certainly have prevailed in the minds of the ladies and gentlemen who have appeared before you. And, in what I say, I want the Committee to understand that we have the highest respect for the motives which have animated most of the witnesses who have appeared before you. We believe that they have acted on the information which they had; and our only criticism would be that before bringing this matter to the attention of the Legislature, before taking up your time, before filling the newspapers with the stories which people may be led to believe are only samples of what our business is,—before spreading abroad, among the poor and among the rich such misapprehensions of this business, they should have dug deeper, investigated further,—started at the beginning. For you will remember that Mr. Fay began the testimony in this





## 2     *Investigation Followed, not Preceded, the Bill.*

case by saying that they had resolved four weeks ago to investigate this business; and you will remember that at the first hearing the first thing that **was** done **was** to ask, on their behalf, a three-weeks' adjournment.

Now, what follows? Why, this, gentlemen. They put in their petition to you. They introduced their bill to you. And *then* they started to investigate the business. Now, that being so, they committed themselves to an adverse view of our business before they began to examine into it. Evidently they felt that they had to get testimony to fit the Bill.

Now, you will not look at the business from any such point of view. You are not going to enter upon this inquiry with the preconceived notion that it ought to be stopped, and then find testimony to support your views, and leave out testimony upon the other side. And the society which did this, which promotes this investigation, has on its records the fact that it did make a previous investigation of this subject, an investigation as to whether children were hurt by neglect, or even worse than that; and the society found no evidence of it, and so reported, and the report I will read to you later. But, what I want to do, if possible, when I begin, is to have some definite issue to meet, and to tell you the point of view from which we are approaching this investigation, and the charges to which we are addressing ourselves in giving you the facts that we are going to prove.

Now, there is not any question, gentlemen — there is not any question — that when this Bill was introduced, and this petition was put in, it was done on the ground that infantile insurance led to child murder! That was their belief at that time. I propose to prove that they so stated. I propose to prove that, at the outset of this investigation, they so stated, and said that they were investigating to prove it. Now they have abandoned it. They say they disavow it.

Well, then, what charges have we to meet? To what point shall we direct our testimony? As I take it, there are two points which they make before you, which you may very well ask us to meet, and the first is, that by neglect of the children, caused by industrial insurance, murder, not in its bald sense, but, as matter of fact, murder is committed on the children for the benefit, or, as the result of, industrial insurance.

Now, I am free to say, gentlemen, that it does not make any difference at all whether a child is murdered in cold blood or starved to death. If that were the result of industrial insurance, we would abandon it. But is it not perfectly patent and plain to you that if that were the result, statistics would prove it? Is it not perfectly clear that you could not have a system of industrial insurance which attacked the lives of young children by neglect, and not have it show in the figures? And we propose, therefore, to address ourselves to that point of view.

There is another charge made there, and that I understand to be the only other charge against us,—that this whole system of industrial insurance leads to extravagance, promotes in the poor a desire for extravagant funerals; and that they are led by over-persuasion to spend money to procure better funerals than the ladies and gentlemen who appear before you think they ought to have. Now, have I not stated that fairly?

Well, there again our answer and our testimony will be that that could not happen on so large a scale as our business covers. "You cannot indict a whole community," somebody has said, and we shall give the figures to show that it would be a matter of impossibility that through a long course of years this thing could go on, and not come to the public sooner, and not be found out. Abraham Lincoln used to say that you could fool all of the people some of the time, and some of the people all of the time, but you couldn't fool all of the people all of the time.

Now, this business, gentlemen, is forty years old in England, and it is twenty years old in America, and there never has been a year, during all that time, when the business of infantile insurance has not grown. It is larger to-day than it ever was. It was larger last year than it ever was before; and that is the universal history. And it is true in Massachusetts, where we began fifteen years ago. There are more children insured today in Massachusetts than ever were insured here before.

To make their case plain—and I think this is a fair statement of their argument—it would have to be shown that there were a certain band of unscrupulous, able, intelligent men, who light down upon the State of Massachusetts, and,



by their peculiar powers of persuasion, induce the people to do what they do not want to do. Now, one of the first facts that I want to present to you is that the agents who are attacked come from the very ranks of the people among whom they work. Our agents are mechanics, out of work; store-keepers, out of business; clerks, out of business; shop men, factory men, out of work, who come to us for employment, and go to canvass among the people that they have been born amongst, and live amongst, and are to-day a part of. So that, when you are told that these poor people are preyed upon by sharpers, please to remember that it is a matter of fact that the so-called sharpers are the very people—the *very* people—on whose behalf petitioners say they appear; and I could ask nothing better than that you should look upon a body of our agents, and see whether what I say is not proved by ocular demonstration, and by questioning as to whether these agents of ours are not of the very people that the petitioners say they appear on behalf of. One of our superintendents asked permission to bring a body of the agents here some morning in the hall, and let you walk between them as you pass into your room, and question them as you go by. I should like nothing better. I did not believe it would be agreeable to you, at least without asking your permission, but if it should be intimated that it would be in any way agreeable, we should be very glad to do just such a thing as that, in order to show that the charge that is made here, that we are an alien band of sharpers, preying on this community, has not a word of truth in it. The agents who canvass among these people are of the very class among whom the business is done. The people who canvass are the citizens of Massachusetts, brought up among the people whom they insure.

First, let me state what industrial insurance is. It does not differ in essential respects from ordinary life insurance. The modifications which we have made are simply such as to adapt it to the industrial or working classes. They cannot afford, as experience has shown, to carry large policies. They cannot afford, and it is not their manner of life, to save money and send checks or payments in bills, quarterly or semi-annually or annually, to home offices. The system was devised to bring to the industrial class the possibility of pro-



viding their families against that most certain of all visitors—death, and of furnishing the money to pay the sick and burial expenses when they are most needed. To so enable the insuring for small amounts, we first fix the premium of five cents and multiples thereof, and then fix the amount of insurance according to the age of the person, so that instead of getting a thousand dollars insurance, and multiples, a man gets 5 cents worth of insurance according to his age, and he may multiply that five cents (except in the case of children, where the amounts are limited) to any extent that he likes. That is payable weekly, and in order further to accommodate them, we send our collectors around to their homes to collect these premiums from the men and the women, and they are entered in receipt books which these people hold, and which are the evidence to us of the payment of these premiums. The policies are payable immediately upon death—within twenty-four hours if anywhere near the Home Office, within forty-eight hours if the distance demand it. We make it a point to send checks in payments of claims on the same day the proofs are received. We never allow any infraction of this rule at the Home Office.

This insurance is a general industrial insurance. We go into a family, and we take every member of it; and the very essence of industrial insurance is that every member of the family, from age two to seventy, can be insured.

The extent of this business, gentlemen, is something that I do not think you have ever considered, but which you will want to consider. There are today, nearly seven millions of people insured by the three industrial companies which appear before you—seven millions of people. There are practically eight industrial companies doing business in the country, but I did not mean to count, as a part of the seven millions any of those outside of the three companies that are here before you. The amount of insurance covered is seven hundred and sixty-six millions of dollars. You will see, therefore, that the average per policy is only a little over one hundred dollars. Of this number, our own company enrolls three and a half millions of people insured,—in our industrial department only. These three companies employ between thirty-five and forty thousand people as agents and clerks.

In any of these statistics that I may give I shall not include any of the other industrial companies. They are all local companies, and I know very little about them, and none of them does business in this State.

The number of children under ten insured in this country, by these three companies alone, was one million four hundred and eleven thousand, three hundred and thirty-eight, at the end of last December. I mention that figure to show that it would not be left for any society in any one city to pick out a few scattered cases to show abuse, if there were really an abuse; for this insurance has been lasting for fifteen years, and constantly growing; and we had, at the end of December, enrolled nearly a million and a half of children under ten years of age, of whom there were enrolled with our company alone 692,457. In round numbers, we had 700,000 children under ten years of age in our company alone.

Moreover, to take this State, there are to-day — my friend, Mr. Read was speaking of his clients being your assistants or a lower house of the Legislature, coming here to assist you: I want to say that there are enrolled in two of these three companies a half a million of the people of Massachusetts — a half a million; and if Mr. Read represents the lower house of the Legislature, we represent the constituents of both of you! Of these, our company alone has 319,308 — just short of 320,000. And of children, there are 95,468 children under ten years of age insured in this State by the two Companies. In these figures, I except the Prudential whose figures I did not have. But there are two companies, the Metropolitan and the Hancock alone, that had insured in this State 95,468 children under ten years of age, at the end of the year, of which our company alone had on its rolls 58,909.

Gentlemen, these large figures represent 15 years of work; they represent a long-established vested business interest in this State.

There were insured in 1890, in England, of children under ten years of age, 4,150,000. There are whole streets in the cities of England where censuses have been taken, and where practically every child under ten has been insured. The margin of the uninsured was not worth mentioning. And that has been going on in that country for forty years.



Q (By Mr. Maccabe.) They insure from birth there too, don't they? A. They insure nearly from birth, sir, and the Prudential of London alone had, some years ago, two and a quarter millions of children under ten years of age insured.

Last year, gentlemen, these four companies that I have been speaking about—the three represented here to-day, and the Prudential of London—paid in death claims to the poor people of those two countries nineteen millions of dollars in that one year; and the average cost of that insurance per policy was one cent a day. Can you indict a business like that, by testimony of two or three cases here, and twenty there, in the City of Boston? Is it possible that this thing could have grown up among the Christian and charitable people of England and America and be the abuse which it has been represented before you to be? Why, you would not have to indict simply the industrial companies—you would have to indict, for such a crime as that, the entire population of both countries. Look at the extent of our business. We do business in this State alone in 285 localities, different cities and towns. We are in 30 States of this Union, if you include the District of Columbia and Canada as one each. We are in 4,375 cities and towns and villages in this country.

And yet, in all our experience, gentlemen, and in all the experience of the Prudential and the Hancock, and in the experience of the Prudential of London, there has never been one single death of a child brought about by reason of its insurance!

Now, the indictment of this business on the ground of murder has here been dropped. The indictment of the business on child neglect will be dropped when the proofs come in before you. And you have left what? Simply the objection of extravagance, on the ground that people want to pay more for their funerals than the ladies and gentlemen who charitably aid them think they ought to pay.

Now, gentlemen, that is a question purely of political economy; that is a question of economics, as one of the clergymen said here; that is hardly a question that we can be called upon to answer. All that we can say to you is what we do say, that the average death claim on a policy on a child under ten years of age is \$28. And then it is for you

to say, whether, by act of the legislature, you shall say to the poor children of Massachusetts, and to their parents, "You shall not pay \$28 for your funerals."

The question of funeral reform, gentlemen, is never going to be settled by an act of the legislature directed against \$28 funerals. I am theoretically in favor of funeral reform, but I have not brought my mind yet up to the point of being willing to be laid away in a wicker basket, with a sheet placed round me, as I believe the latest idea of funeral reform is. It is elegant as a theory; it returns the human body to its mother earth in the shortest possible time; but I haven't yet got myself into the position of desiring it for myself or my own family. The ladies and gentlemen who are here, and who have got themselves in that condition of mind, are public benefactors, no doubt; but let them begin, and set an example. Don't come here to the legislature and say, "compel those people to have a pauper funeral."

May I read a letter, right at this point, from a lady whom you will listen to? It is dated at the Child's Hospital, Albany, New York, and is written by Sister Pamela, who is in charge of that hospital, a benefaction under the auspices of the Episcopal Church, and connected, I believe, with Bishop Doane's Cathedral, and it is certainly very well known in Albany as a very prominent institution. The letter is addressed to myself (the *italics* are her own):

CHILD'S HOSPITAL, Albany, N. Y.,

March 18, 1895.

Dr. Willard has asked me in regard to the insuring of the lives of young children and its effect on the care taken of such children by the parents.

I beg leave to say that in a rather large experience with the very poor I have *always* not only advised the insuring of the young children but have in a number of instances thought it quite a wise and proper expenditure of money given me for charitable uses to apply it towards the starting or keeping up of such policies.

As to the effect, if any, on the parents' care of such children I may safely say I have *never* known such a child to be neglected by the parents or its death hastened in any way in order to receive the insurance. The poor are usually very fond of their children and willing to undergo any privation themselves in order to save their children from suffering.

On the other hand if a child so insured dies the relief is



often pathetic as the parents realize that there is money to bury their dead decently without calling on the "City" for help and also without (what makes death so terrible to the poor) running into debt. And often the doctor's bill can be met too, where otherwise it would probably never be paid. I have almost always found that the money received from the insurance policy was considered sacred to such uses.

Very truly,

SISTER PAMELA.

She touches a point there, gentlemen, which is within our experience true, and which you ought to know, and that is the love which the poor have for their dead, the feeling that it is a respect they owe to their dead, to have a decent burial—the feeling that they are perhaps paying back to that dead husband or wife any neglect or unkindness that they may have given in life. Have you ever seen a poor widow mourn for her husband? Have you ever seen the pride that they take in showing that final respect to the dead? And when you come to a child, as to which there cannot be any such charge of neglect or unkindness, how much greater—how pathetic it is, as Sister Pamela says—that they should long, with kind hands, to lay away their dead decently, nicely, without charity, in no pauper's grave—in a respectable community of dead—in consecrated ground, with proper ceremonies. And is it, gentlemen, your place or mine, or anybody's, to criticise it, whether they get money in their life from charity or not? And is it your province, or is it our province to say, "You shall not have it even if you are willing to pay for it"?

Ah! gentlemen, Mrs. Leach is mistaken when she says that the maternal instinct is almost dead in many cases, and quite dead in others. It is not so. Sister Pamela says it is not so. Our experience says it is not so, and your experience says it is not so.

This leads me to the vice, if I may so speak of it, of the method of investigation which has been brought before you. These ladies are all right in their motives, but what have they done? They have attempted to generalize and to reason from the cases brought to their attention. Now, what are the cases brought to the attention of the Society for the Prevention of Cruelty to Children? It is not any of their busi-

ness—it is not part of their occupation—they have not the time—it is not their place in the particular charity they have chosen—for them to visit the thrifty, industrious, the—if I may so say—well-to-do poor. Their attention is called to these cases by other people. They visit the criminal or semi-criminal class, and if, perchance, they find some insured there, is it right to reason that that is industrial insurance? The point of view is altogether wrong, gentlemen. The point of view is altogether wrong. Their attention is called to a certain lot of cases by reason of their own occupation, and that is largely true in the cases of the charitable visitors; the lady physicians who have been here and others; they were called, if you notice, to their cases; they were sent for because there was trouble. It is true, also, of the charitable visitors who have been here. You will notice that the testimony uniformly has been that they were called to these cases. Well, they are semi-criminal cases—mostly cases of drunkenness. They testified themselves that over half of them were cases of drunkenness, cases of extreme filth, cases of cruelty, cases of neglect.

Now, is it right—can you reasonably deduce from any such testimony—that that is industrial insurance in the light of the figures that I have given you?

I said a few minutes ago that there had been no cases found such as are charged here in England or America of murdering a child for the benefit of the insurance by those whose duty it was to take care of that child.

I want to read to you an official report, for this matter of investigation is not new. This agitation has been going on in England for forty years and investigation after investigation has been made, and uniformly the legislative result has been not to restrict industrial insurance, but to enlarge it. I do not ask you to take my assertions on that subject. I have here a copy of the official report for 1894 of the Registrar-General of Friendly Societies in England. I will not weary you by reading it all, but I will read you some extracts from it. I will first read to you what it purports to be. “I take the opportunity,” he says, “of stating briefly the history of the subject” of industrial insurance; and thereupon he sets forth the different acts:



The Friendly Societies Act of 1829 allowed minors to become members. Under the Act, societies were formed which had a rule or practice of admitting members even from birth. The Friendly Societies Act of 1846 limited the insurance to those over six years of age. Then there was an investigation by a Committee of the House of Commons in 1849, and that investigation resulted the next year in the repeal by Parliament of the Act of 1846, which I have just called your attention to, and permitted and declared that it should not be lawful to assure on the death of a child, whether a member or not, under the age of ten years, more than the actual funeral expenses, limiting the amount and compelling payment to be made to the undertaker direct. For three years prior it had been forbidden altogether to insure children under six years of age, and, as the result of that investigation, they enlarged the right of insurance to the amount of the actual funeral expenses. In 1854 there was another investigation by the House of Commons, the result of which was that the Friendly Societies Act, passed in 1855, again enlarged the amount that could be paid on the child's death. The investigation in 1854 was by a parliamentary commission, and the report was that the facts were such as by "no means to impose upon Parliament an obligation for the sake of public morality to legislate specially with view of prevention of that crime," namely, child murder. The subsequent acts were in the way of regulation. In 1875, after an investigation in 1874, the act was still further broadened by permitting the insurance on children under ten years of age to be paid to the parents and personal representatives of the parents. Before, it had been payable only to the undertaker. There have been investigations since 1875, and the last one was closed in 1891. I have the report here of that committee. It is substantially no action—"Voted to report that the committee have met, have taken evidence on the subject of the bill, but they do not consider it expedient to proceed further therewith." That is the last investigation that has been held in England. Every previous investigation, as I have said, has resulted in an enlargement of the right of insurance. And now the Registrar-General goes on to say:

“Upon considering the evidence adduced before all these Committees and the Friendly Society Commissioners, I do not think that it has materially altered the conclusion at which the Committee of 1854 arrived.

“During the 40 years since that date very many millions of children of the working classes have been insured in various societies or industrial assurance companies, and the cases in which malpractices have been proved are exceedingly few. Child murder for burial money does not prevail to an extent which calls for legislative interference any more in 1894 than in 1854.”

Now, that investigation was held in 1888, 1889, 1890 and 1891. It ran through four years. Mr. Benjamin Waugh had his own sweet will with that Committee, in putting in all the testimony that he wanted to; and it is Mr. Benjamin Waugh whose writings are always adduced before every body to prove anything that the persons producing them want to prove. He is an agent of the Society for the Prevention of Cruelty to Children; and his last proposition is, if I understand it, that the bill should be amended so that insurance should be made payable to undertakers, or to foster mothers nominated by his Society. So that, as I understand the situation in England today—and I think I understand it—there is no proposition made by anybody to abolish infantile insurance. It has come down to be a question of who shall be the beneficiary. And you see what alternative objection they put to us on this subject—Mr. Waugh wants the undertakers paid; the petitioners here do not want the undertakers paid. If the insurance is used for burial, then they say it is extravagant, and if it is not used for burial, why, then they say it is speculation and murder. They have got us either way, according to their theory.

I call your attention to the fact that this attack in the evidence brought before you is not an attack upon *infantile* insurance. Where is there a word of testimony before you which goes to the point of attacking *infantile* insurance? Why, the worst of their allegations, gentlemen, is that children are neglected, because the money is spent for insurance which ought to be spent for food. Now, I ask you, in candor and common sense, is more food taken out of the



mouths of children by the expenditure of five cents for their insurance, or by the expenditure of 25 cents for the insurance of the father and mother? Doesn't it take five times as much food out of those children's mouths, according to their own testimony, to insure the parent as it does to insure the child? Now, if that is so, then this attack becomes what I think this attack is, gentlemen—an attack on industrial insurance. It is the entering wedge, because it is a scheme by which they can touch the hearts of members of the legislature, on the insurance of children. There is something pathetic about it to anybody who does not understand what it is. But they never in the world mean to rest there; their arguments do not meet it; their facts do not meet it. The very nature of industrial insurance is, and ever must be, the insurance of an entire family. No other kind of industrial insurance has ever been known in the world's history, for any length of time, for, at the time of this prohibition under six, about which I read, back in 1846, there were not any industrial corporations as we now know them. They were the old burial clubs, which may or may not have been subject to abuses—I do not know, and I do not care, because it is not germane to the business that we do. But never since the Prudential Company fully organized its industrial business has there ever been any legislation in England against it.

Can 40 years' experience—can the insurance of eight or nine millions children in that time—it is estimated to have been nine millions up to the end of 1889—can the insurance of nine millions of children during a period of 40 years be said to be an abuse, when the legislature of Great Britain, the Parliament, has refused to stop it, after the investigations which I have said have been had in all these years? I will read them again,—in 1849, in 1854, in 1875, in 1888, in 1889, in 1890 and in 1891—seven investigations. And every time the result has been to enlarge it until finally the promoter of the bill himself wants a bill now to insure children for his benefit, or that of his society, or foster mothers nominated by it.

Gentlemen, this is an attack on industrial insurance. I am speaking now of the evidence, not of the motives of the people behind it. With them I have nothing whatever to do. I

assume that they are charitable people and well disposed people. I ask, what is the evidence, such as it is, fragmentary, isolated ! It is simply this, that all insurance by poor people is wrong, because it is extravagance, and they cannot afford it, and the legislature is to be asked to say so. This is an absolutely novel proposition. Not only has the experience of England shown this failure to legislate against the business, but it has been uniformly true in this country, with one single exception, and that is the case of Colorado. Our company never did business in that State. Mr. Dryden, of the Prudential, will go into it fully, if you want to hear about the history of that legislation in Colorado. Suffice it for me to say here—and I think that that is the only point that I wish to draw your attention, as germane to my remarks,—that it was done without a hearing, that it was a snap judgment.

The insurance companies were told to come on there and oppose that Bill before the House, and they would be heard before the Committee. The Committee refused to hear them after they came on. They kept putting them off day after day, without hearing one word from them, and then finally passed the Bill and sent the companies to the Senate. The Senate Committee promised them too, but put them off, until finally they said, "Now the session is so late, you have just five minutes in which to state your case." And they passed the Bill after the date and hour fixed for the adjournment of the legislature and they stopped the clock to do it. It is a snap judgment under the "blood and bridles" governor of Colorado—Waite, who himself promoted the legislation. The Commissioner of Insurance, as I now understand, recommends the repeal of that law; and one of the Courts has held that it was unconstitutional.

The uniform experience in this country has been that the legislatures have declined to forbid this insurance, and this after investigation. The first investigation that I know anything about was in 1889, in Pennsylvania. The business had just begun to grow, and raise itself up as an institution in the country. I was not present personally. The President of the company was. That investigation was held before a Committee; they went into it thoroughly. We were heard, and the promoters were heard, and the Committee unanimously threw out the Bill; and from that day

to this there has never been any attempt in Pennsylvania to enact it. There has been talk about it this year. It has amounted to nothing. And I will call your attention, in a moment, to the kind of protest that was made against the enactment of any such legislation in Pennsylvania.

Then there was a movement in Ohio, which had the same result.

Then there was an investigation in 1890 in the State of New York. It has been kindly remarked here before you that that bill was defeated that year, by a lobby. Now, I say absolutely that there is not one single iota of truth in that allegation, and the gentleman who made it to you ought to have been sure of his facts before he stated that, as his clients ought to have been sure of some of the facts they have stated here. There is absolutely no foundation for it. It was referred to a committee. The President of the Company here went up and appeared before that committee; Mr. Dryden went before that committee. If there was any counsel there it was Gov. Woodford, who was an officer of the company, and a director, and a stockholder. And that hearing was had fairly and the man who introduced the bill was convinced himself he had made a mistake, and there was no lobby; it never got to the Legislature at all, the committee killed it.

Then there was here in this State before one of your honorable bodies a hearing in 1891. Our Actuary came on—the President was away—and he made a simple statement to that committee of what industrial insurance was, and they threw the bill out.

Then in 1892, again, there was some inquiry in the State of New York arising out of the fact that there was then in preparation an insurance code which undertook to gather into it all of the insurance legislation of the State of New York. The President of the Society for the Prevention of Cruelty to Children, wrote us a letter, and wrote the other Companies putting certain searching questions to the companies on the subject of child insurance, and he said that he did it on account of legislation which was proposed in Albany. We answered those questions, and I have the answers here if anybody cares to see them. And that Society did not appear before that Commission to oppose what that Commission then proposed to do, and did do, namely, to enact into the statutes of the



State of New York, a law permitting industrial insurance on the lives of children.

And what was taken as the basis of that law? They took our own tables of benefits. They put on the statute books of the State of New York our Metropolitan tables of infantile industrial insurance. And they did that without any protest from the Society for the Prevention of Cruelty to Children after they had made the inquiry of us, and after we had answered it.

MR. DAVIS. Mr. Fiske, were those tables open to investigation, to be proved?

MR. FISKE. Yes, sir, we delivered them to the Society's President before they became a law. We sent him the fullest literature we had on the subject of infantile insurance. We answered his questions as fully as I will answer yours today. He was invited to come to our office; he was sent all the information he asked; he was sent our table of rates, and told our rules, and no protest was made by the Society, and the thing was enacted as the law, and is the law today.

In the Province of Ontario in Canada that same year, a bill was introduced to prohibit infantile insurance, founded on the Waugh investigations in England. There is a local company called the London Life doing business there. They wrote us to know if we had any facts on that subject to present to that legislature. Our Actuary went up there and he stated the plain facts to the government officials,—it was a Government bill if I am not mistaken,—and not only did they not pass that law, but the Government put on the Statute books of Ontario, and it is there today, a Statute permitting infantile insurance of children at all ages, but fixing the amount under ten, and leaving the amount unlimited above that; and those amounts were taken from the tables of the local company, the London Company, just as the New York tables were taken from ours. And from that day to this, so far as I know, there has never been an attempt in Canada to stop this insurance. There has been some talk about their enlarging it.

In Connecticut, in 1893, there was a bill in the Connecticut Legislature, and I went down there myself and offered to appear before the committee; but on a statement by an officer of a local company, and by the counsel for our company, of

what infantile insurance was, and its limitations, they unanimously threw out the bill and it has never been heard of since.

This year there was a similar bill introduced in Illinois. But the Commissioner of Insurance himself prepared a bill which I have here, in which he has made a code of all his insurance legislation, and has made section 29 of his bill a copy of the New York statute, and he told me himself that within the limitations fixed by the New York statute there was not the slightest objection to infantile industrial insurance, and he told me that he had investigated the subject.

There has been a bill introduced in Tennessee. The State Board of Health of Tennessee, on somebody's petition, appointed a committee to investigate child insurance, and they investigated it by asking Mr. Benjamin Waugh, of England, to give them what assertions he had made about it. The committee consisted of one man, his name is Dr. Wright, and he is an Englishman; he had lived in England, and he knew Waugh, or knew about him. He never asked one single question of the Metropolitan Life. So far as I know he never asked a single question of the Sun Life, the only other company operating in that State. His investigation and his report consist of extracts from Benjamin Waugh's crazy writings. I say that meaningly. Do you know what he said in one of these essays of his? He asserted that the industrial companies frequently insure sick children, dying children, for the purpose of paying the insurance so that they can "tout" around as to the good they have done! Will you listen to a man who makes such assertions? And yet his stories are the foundation of the investigation or report which was made against the business in Tennessee. The bill, according to my information, and I believe it is correct, is promoted by an assessment concern which is opening in Tennessee, and finds an obstacle in industrial insurance. I could give you, if it were worth while, lots of proof that they are really back of this bill, and they are to-day, gentlemen, buying copies of the Boston newspapers and sending them abroad throughout that State as absolute proof adduced here that this industrial insurance is rotten from top to bottom and to the core. That bill has not passed the Tennessee Legislature. I trust it will

not pass. It has passed the Senate, as I said the other day. I ought to say this, that we have been doing business there a very short time. It is no such institution in Tennessee as it is here. There has been no real experience of the people of Tennessee as to what industrial insurance is; they don't know it. For a State like this that does know it to go down and take for an example a State Legislature which doesn't know it, and which hasn't got any constituents that know it, is absurd.

Here is the latest lucubration of Dr. Wright, who wrote that pamphlet. It is a letter published in his own home newspaper, which he had previously sent to another paper, and had copied back, and it is one of the ways they agitate against us down there. "It must be known, too," says Mr. Wright, "that at the very origin of life insurance, frightful crimes were perpetrated through its aid; wholesale murder for the obtaining sums insured for by children upon their parents' lives, wives on those of their husbands, and, in short, that no domestic relation was found sufficiently sacred to be safe against the crimes rendered possible by this dangerous institution. Instead of the restrictions now called for in the case of child insurance being exceptional, it is an exception to the general rule that in these forms of insurance alone there are no restrictions."

In other words, Dr. Wright's attack is against the whole system of insurance, and not against infantile insurance except as a part of it, and as the easiest part to stir up people's feelings about. He wouldn't make much headway, I think, on the theory that he gives here, that the parents' lives are in danger by the children killing them to get the insurance, or the husband in danger of their wives killing them. That is his theory, and he states it so, in this letter dated only two or three weeks ago; and that is the motive of the attack by him on us. But it wouldn't do for him to say so; it wouldn't do for him to say anything more than that the children are hurt for the sake of insurance,—any more than it would to have this bill before you, gentlemen, state what it really is. Supposing this bill had read: "Be it enacted that no man who earns less than so many dollars a week shall insure the lives of his children for any amount for any purpose." What kind of a show would that bill have in this Legislature? And yet



what is this bill but that? And what right have you to pass it save that right, that legal right which you have as against any corporation for any purpose as being a creature of the State, and therefore amenable to any law that is passed. But the real motive of this bill they wouldn't dare put in black and white. I say "wouldn't dare,"—I mean in the sense that the public opinion back of us on this question, as you will be shown later unless I am mistaken, would not permit such an attack upon the rights of the poor man to do as he likes with his own money, except and unless you can prove that it leads to child murder. And when these petitioners disavowed that, they disavowed the only ground upon which you have a right to legislate at all.

The petitioners have got the power which comes from being people with charitable hearts making assertions of a general character, of which they know nothing, but which statements they expect to be taken as the word of God, because they make them and believe them. That is the trouble. These people have not investigated this subject and don't know anything about it, except so far as their attention has been called to it in their criminal and semi-criminal investigations, and on the strength of this they indict the people of this Commonwealth to the number of 500,000.

Industrial insurance has been investigated not only, as I said, by the Legislatures, but by the Societies for the Prevention of Cruelty to Children and by physicians and others, and the most remarkable thing that I know in the whole annals of industrial insurance has been a recent paper written, not for any purpose of affecting insurance at all, but "On the perils and protection of infant life." It is the Howard Medical Prize Essay, by Hugh R. Jones, M.A., M.D., D.P.H. Cantab., B.Sc. Lond., Fellow of the Royal Statistical Society, Lecturer on Bacteriology in the Royal Southern Hospital of Liverpool, etc., etc. I suppose it is the most remarkable essay on the subject covered by it that has ever been written. It is a pleasure to read some parts of it, the care that that man has taken, the depths into which he has gone, in setting forth what are the dangers to infant life, what are its diseases, what are its perils, and what are the remedies. In the course of his essay he had discussed infantile insurance; he hasn't any

more connection with an insurance company than you have. And what is the result? I will not trouble you with all of it, but I will take the essential parts. He says, "I have briefly reviewed the more important evidence existing on the subject. I have weighed, as carefully as I am able, all the information I have gathered. I have discussed the subject with medical men resident in districts where insurance prevails extensively, and my own conclusion is that the evils of child insurance have been unnecessarily exaggerated, and that the deaths of children commonly attributed to insurance ought really to be ascribed to the causes we have been considering in the earlier part of this essay,"—which have nothing whatever to do with insurance. "The incentive to child neglect and child murder is *not* the prospective receipt of insurance money. Neglect and crime would continue even if insurance were abolished straightway. High infant mortality depends upon the light estimation in which child life is held, and the careless indifference with which it is treated. *Cases of neglect are more frequent into which the element of insurance does not enter, than those upon which it is supposed to exercise influence.*"

Have I said here to-day any stronger words than these of Dr. Jones, who has no connection whatever with insurance, but who is as a medical man investigating the perils and protection of child life?

"To sum up," he says, "in my opinion child insurance has been accorded an importance far beyond its merits. The same amount of energy directed to the suppression of an obviously preventable form of death, e. g., suffocation in bed, might result in a greater saving of child life than would result from the total suppression of insurance. It would be as rational to interdict fire insurance because of a few cases of arson, as to prohibit child insurance because of a few cases of proved infanticide."

In New York, the Society for the Prevention of Cruelty to Children, investigated this matter, in the way I have described to you.

Next, I want to read the report which this Massachusetts Society made in 1891, and it was the same year that the bill had been introduced here in the Legislature: "We find

in English reports that parents are charged with insuring the lives of their children, in order, by neglect, if by no worse crime,"—that is what it is here, "by neglect,"—"by neglect, if by no worse crime, to destroy the child to secure the insurance. *We have taken pains to inquire into this practice here, but have found no evidence of such intent, although many insure their children's lives, and use the proceeds, in case of death, to provide for funeral expenses.*" And I ask you, whether, having made that report, as they say, having taken pains to inquire into it in 1891, they have here proved, actually proved by demonstration, by any sort of proof that would be held for an instant in a court of law, that their previous opinion was wrong, or that their previous investigation led to a mistaken result? I say it has not; I say it has not.

The answer, perhaps, will be that they here present various cases of wrongful insurance. But do they? If you count up all of the cases which they present to you here running over ten or twelve years, what a drop in the bucket, what a small atom of evidence it is—even if it were true—as affecting the enormous business that we have done in Massachusetts for fifteen years! It is all, as I said before, gathered from investigations, not made into insurance at all, for they never had any such purpose in their lives, but investigations into criminal neglect of the children, charitable investigations into the cause of drunkenness, and filth, such as they describe, and applying, if they can, to individual cases, the remedy which comes from good food, and good treatment, and physicians' care, and, perhaps, the care of some of their own society; and incidentally, they say they have picked up a few insurances among these cases. *Before we are through with this hearing, we will prove that they are mistaken and wrong even in these cases.*

I said that in Pennsylvania, there had been some talk of the introduction of a bill this year to prevent infantile insurance. The talk never amounted to enough for us to investigate it even; we haven't paid the slightest attention to it; but one of the insurance companies, which does not deal in industrial insurance, has a sort of bureau of information in which they get all of the newspaper comments on insurance



business of any kind, and the President was kind enough to send me this letter, which otherwise I would not have seen, with the inception of which we had nothing whatever to do, with the writer of which we have no acquaintance whatever. He wrote to the *Philadelphia Evening Bulletin* of the 12th of December of last year as follows:

"We notice in the columns of your paper of the 10th instant that a movement will be made by the Society to Protect Children from Cruelty at the coming Legislature to compel insurance companies to cease insuring children in this State.

"We find that the proposition referred to emanated from a humane gentleman of Harrisburg, who has no official connection with this society, and his declaration that it is the society's purpose to apply to the Legislature is quite unwarranted.

"In connection with the subject, permit us to say that, from the investigations made by this organization since its incorporation, it has failed to produce evidence sufficient to warrant prosecution in any case that has been brought to its notice. Under the present executive officer the most exhaustive search and investigation have been made, but the effort failed to find that in the death of any child insured, there was sufficient evidence to criminate the parent, guardian or custodian of the child.

"The passage of such a law would prevent the poor from legitimately securing means by which a decent burial could be given to the child, and would most certainly work hardship upon the honest poor.

"It is natural to suppose that the insurance companies themselves would at once take measures to stop such unwarranted use of the privilege, and for their own safety would examine most carefully into the habits of the people who have their children insured; this we should consider the best means of safety that could be adopted.

"Even in the 'Baby Farms,' which have been broken up, and where one would be most likely to find an improper use of such insurance, no evidence could be gathered to prove a case against them. In each and every instance it was purely a case of suspicion. It is possible that the insuring of

children may have its dark side as well as the insuring of adults for illegal purposes have its dark side.

"In any case that is investigated, should there be evidence that the death of the child has occurred for the purpose of securing the insurance, the alleged criminal should be prosecuted, and the blame not rest upon the company, which is in no wise connected with the crime.

"The great good which this plan of insurance works for the honest and deserving poor would certainly forbid the society contemplating such action as mentioned by this over-zealous humanitarian.

"Yours very truly,

"J. LEWIS CREW, Sec'y P. S. P. C. C."

More than that. In this State of Massachusetts the history of investigations by the Superintendents of Insurance points the same way.

In 1882 Commissioner Clark, in his annual report, wrote: "As will be seen from the statements of the John Hancock, Metropolitan, Germania, and the Vermont Life, the business of Prudential Insurance is attaining considerable magnitude in this country. By this plan children are insured for a premium of five cents per week in a sum sufficient to furnish a burial fund, the amount to be paid promptly upon the death of the child, at a time when from interruption from usual avocation, cost of medical attendance, and burial expenses, a little ready money is often of more importance than at any other period in the family history. The sum insured is in no case large enough to be an inducement to infanticide or criminal practice; temptation in this behalf, if any, bearing no comparison with that appertaining to ordinary life insurance. By the same system of prudential insurance adults may be insured, as upon the ordinary plan, for such amounts as they may be able to carry by frequent small payments. This form of insurance, which is furnishing timely and needed relief upon the death of both children and adults, is based upon the most reliable tables of mortality, and, under proper safeguards, is strictly legitimate in every respect, and illustrates as clearly as any possible method the beneficent intentions and results of Life Insurance."

In 1887 Commissioner Tarbox in his annual report, says: "The term 'industrial' or 'prudential' is employed to distinguish a class of insurances for small amounts for weekly premiums of a few cents each, such as persons of humblest means, dependent upon the wages of their labor or other limited income, can spare from their urgent necessities. The provision such insurance makes is only for the relief of immediate family needs created by the death of the insured, and when effected on the life of an infant of unproductive age and condition can properly provide for little more than decent burial charges. Ordinarily the life of an infant of tender years cannot be deemed to have an insurable value, and for a parent to speculate a profit from the death of his offspring is repugnant to the natural feelings and to public morals. But a provision by insurance for the cost of sacred decencies to the relics and memory of the dead is worthy and legitimate."

And I ask whether the experience that we have had in all this time of a weekly premium of six cents, and a payment of \$28, is anything more than provision "for the cost of sacred decencies to the relics and memory of the dead," which this Commissioner says is "worthy and legitimate"?

In 1891 the present incumbent of the office, Commissioner Merrill, had occasion to report, and that, if you recollect dates, was the same year, and, of course, following the bill which was before your predecessors to prevent this insurance. He says: "During the session of the Legislature the present year an order was presented and considered by the insurance committee, looking to the restriction of insurance upon infantile lives and the forbidding of insurance upon any life without the knowledge of the person insured. It was shown, however, that the Companies now use every precaution to prevent the latter, and it did not appear that under the practices of the Companies engaging therein additional safeguards against imposition nor in the line of a better public policy could well be applied to the former, and the report of the committee, 'inexpedient to legislate,' was accepted without dissent."

In New York we have the same action taken by the department. Our company was most exhaustively examined



last year. The Commissioner took six months; and by his Deputy, the lamented Mr. Shannon, one of the finest insurance officials who ever lived, as I think would be the judgment of Commissioner Merrill, and of anybody who knew him, and who has since died, signs this report: "Still another reference to which I deem it almost unnecessary to allude, and which I do only to give this report the utmost comprehensiveness. I allude to the imputation (occasionally put forth by those who cannot have given the records of the business any investigation) that the embracing of small infantile insurances in the industrial plan is subversive of public policy—in brief, that it leads toward possible infanticide. This is a monstrous charge that no person should make without proof. The facts are that the proportion of infantile claims paid during the last year was but four and three-tenths per cent. of the total amount. This matter has been before the Legislatures of various States, and before numerous Humane societies. Committees have been appointed to investigate. Searching and exhaustive inquiries have been made, and in no single instance has the imputation been sustained. Carefully collated statistics prove that the mortality among insured minors is less than the mortality of the general infantile population. Out of more than twenty millions of Industrial policies issued in this country, but one case coming under this indictment has occurred, and that was the instance of a mother who did away with all her family, including the husband upon whose life she depended for support. That was manifest insanity.

"Across the water professional agitators have from time to time influenced parliamentary investigations, but in every instance the conclusion has been that no legislation or other interference was in any wise necessary or expedient. The State of New York has put its seal upon this matter by specifically providing for the business of Infantile Insurance in its Insurance Code. Like action has been taken in the Dominion of Canada."

He should have said there "by the Provincial Legislature of Ontario."

Now, the other day in either the testimony or the opening of Mr. Read, there was spread before you a newspaper,

"Hullo, Connecticut has waked up! Mr. Fox, the city attorney of New Haven, has entered upon an investigation; he has complained to the Insurance Commissioner. We have nothing to do with this publication. It only shows how these things are going," etc., etc. He had not finished very long before I telegraphed to New Haven for information to the counsel to the company there, and I got this telegram, I am sorry to say, just ten minutes after you adjourned that day, or I would have brought it to your attention then:

"Attorney Adams, who has fraudulent Hogben claims, responsible for telegrams to newspapers in Attorney Fox's case. Insured gave wrong age. We offered to pay as of true age. Fox complained to Commissioner Mansfield who told Fox we were right. Fox then made vague and indefinite statements. Has no instance and no proof. His statements rejected by Commissioner. Commissioner Mansfield has made no suggestion on the subject."

Here is another illustration, gentlemen, of the fact that before evidence is presented here to you the subject ought to be investigated. This business ought to have been investigated by them thoroughly before they put in the evidence they did here. Before charges are made, such as they made, they ought to have been investigated.

As I said earlier, I think it is true, I think it is reasonable, I think it is logical, that if there was any truth in the vague, misty statement that child insurance leads to child neglect, and therefore to the child's death, this fact would turn up in the statistics of mortality.

I will undertake to prove to you that, on the contrary, it does not turn up, but that infantile mortality in industrial insurance is actually less than the average mortality of infants in the community in which that company does business, and if I prove that it seems to me I have absolutely proved that those ladies and gentlemen, earnest, devout, well meaning as they are, are, in this matter, mistaken.

You may well believe that this matter has been under investigation in England. The English Prudential Company has a table founded on an experience of 9,000,000 of insured lives, and compares it with Dr. Farr's English life table, made up, I think, from many millions of lives, from three census re-

turns, covering a number of years. The latter shows infantile mortality up to age one at  $165\frac{1}{2}$  in the thousand. The Prudential's experience is 99.46. Now, of course, the Prudential hasn't any proofs of death within the first few weeks of life—they say here two weeks—they get no proofs of death; and a good deal of allowance should be made for that. And they say that they think it is fair, and I think it is fair, that they eliminate entirely the first month's deaths from Dr. Farr's table, and that reduces the figure to 108 in a thousand as against the Prudential 99.46. Between ages one and two the respective rates of mortality are 65.59 against 63.24; two to three, 36.14 against 32.36; three to four, 24.33 against 18.62; four to five, 17.92 against 13.48; five to six, 13.53 against 10.03; six to seven, 10.75 against 7.61; seven to eight, 9.16 against 5.72; eight to nine, 7.69 against 4.89; nine to ten, 6.57 against 4.28.

Now, it does seem to me that that is an absolute conclusive demonstration that what we claim about infantile insurance is true, namely, that we get selected lives—we get selected lives—and therefore we have a less rate of mortality. But, if on the other hand, by neglect, by murder, by starvation, by any form of trouble insured children were brought to their death, those figures could not possibly have been true.

Moreover, they make, in another table, a very striking comparison of a period before industrial insurance was in vogue and after. They take the years first 1841 to 1850, and, second, 1881 to 1885. The first period when industrial infantile insurance had no extensive practice, if it had any, the second period after the Prudential had insured seven or eight millions of children, and the Royal Liver and these other companies, many other millions, the number of deaths in a thousand for the first period up to age five, of males, was 71.2 as against 59.6 in the latter period; in females 61.1 as against 50.5 in the later period. And from ages five to ten, 9.2 as against 5.08 of males, and 8.9 as against 5.6 of females.

In 1871, the Royal Liver Friendly Society, a very large society, insuring children in England, made an investigation. The summing up showed as follows:

“An examination of these figures proves conclusively that these suspicions [of child murder] are unfounded as re-



gards insured children. If an appreciable number of such children, residing, for example, in Liverpool, were destroyed by their parents or other persons in charge of them for the sake of obtaining the insurance money, it is clear that the mortality among the children whose lives were insured in the Liverpool district would exceed that among the children belonging to the general population of Liverpool. But instead of this, the exact contrary is the case. The rate of mortality among the insured children is very greatly less during each of the years of life considered than that among the general population of Liverpool, as given on the authority of the Registrar-General."

They made another investigation in 1888, and I have the result of that investigation here, and it is so long that I will not read it, except to say, that they do prove, as a matter of fact, the assertions made in their previous report, and which they make here. They take large cities, Liverpool, Manchester, Birmingham, Sheffield, Brighton, Nottingham,—the large cities of England,—and they take a period of 18 months, and I will just read a few figures to show how the infant mortality in the Royal Liver experience is very much less than that in the Registrar-General's experience of the population generally, the ages being up to 12 years of age. In London, 15 as against 9.13; in Brighton, 14.18 as against 8.79; Liverpool and Birkenhead, 16.66 as against 8.32. Every city here has the same experience. I have selected the large ones. I will read any of the others that are asked for.

The Newark Prudential made some investigations in this country which I think are very pertinent. This company collected the records of thirteen largest cities in the country. They have taken the percentage of population, ages one to five, and applied it to the whole population, ages one to the end of life, and they find that the percentage in the thirteen cities is 9. Then they have taken their own insurance at ages 1 to 5 and applied that to their own insurance, ages 1 through life, and they find their percentage is 16. In other words, the proportion of the Prudential policies, ages 1 to 5 as compared to ages 1 through life is nearly double the proportion of the population at the respective ages. The

death rate percentage in those cities was 20.1 at ages 1 to 5 as applied to ages 1 through life, while the Prudential percentage taken in the same way was only 14.07. To sum up, while the percentage of those insured was almost double, the percentage of deaths was one-third less. There is no gain-saying these facts.

Then they took a table of comparative mortality showing the percentage at the following ages of the total mortality at all ages. The comparison is made between those under age 1, where is no insurance, and ages 1 to 5, which are covered by insurance; and I take it for the years 1885 and 1890, respectively, during which period there was a tremendous growth in industrial insurance:

	N. Y. CITY.		CHICAGO.		MASSACHUSETTS		CONNECTICUT	
	Under 1 (No insurance).	Ages 1-5 (Insurance).	Under 1 (No insurance).	Ages 1-5 (Insurance).	Under 1 (No insurance).	Ages 1-5 (Insurance).	Under 1 (No insurance).	Ages 1-5 (Insurance).
1885...	26.1	16.7	32.1	17.5	20	11.4	20.4	10.3
1890...	25.7	15	30.3	15.2	22.1	9.8	18.5	8.5
1892...	....	....	....	....	22.8	9.4	19	8.4

Our own Metropolitan Company experience confirms these figures. We have taken the mortality at ages 1 to 4, and compared it with the mortality as shown by the United States census returns in 1890. We found the figures to be as follows: Ages 1 to 4, all the registration States returns showed a death rate of 26.82; in Massachusetts it was 29.64, but our own experience in all the States was 25.38, and in Massachusetts, 27.02. In other words, to apply it to Massachusetts, whereas the general death rate in this State was 29.64, ours was 27.02, ages 1 to 4.

We also take a comparison of our mortality records with the census returns for 1880, which are the latest we could find at the ages we desired to compare.

Age.	Met. Co. All States.	Met. Co. Mass.	1880.	1880.
			U. S. Census, Mass.	U. S. Census, 31 cities.
2 . . .	48.35	48.95	57.6	87.4
3 . . .	27.01	25.55	29.	36.7
4 . . .	18.43	20.82	21.5	24.7
5 . . .	14.40	17.23	16.5	17.9
6 to 10 inclu.	7.05	6.23	8.2	8.9

Now compare these a moment with the experience over ten years of age and see the difference. In Massachusetts the figures were 14.1, and ours were 22.26 — very much larger. That proves to my mind these facts, which are matters of fact patent to anybody who thinks for a minute — that our mortality at adult ages is bound to be higher than the general average of mortality, for in those cases the selection is against us by reason of the well known fact, that the mortality among industrial classes taken as a whole, as compared with the general mortality of the citizens of the country, taking everybody, the rich and the prosperous, is higher; and that is the reason, the fundamental reason, why our tables of rates are higher than those in old line companies. But when you come to children the exact contrary is true. In other words, our mortality is less than the general mortality; and the reason is that we get the selection of children; we don't insure every child; we don't insure the children of the slums which have been described to you here. If we did, our figures would certainly be higher than the general average. It would be so; it must be so. The mortality is so extreme in the slums that if we insured them our mortality figures would go up for a certainty; and they do not go up.

Of course it must be evident to anybody that where we have insured the hundreds of thousands of children that we have, some few of these children would get in — there would be no way of our knowing it. But the figures would show if they came in to any appreciable extent, and our mortality records would show, and our treasury would show.

There was evidence given before you the other day, and the motive was not very clear to me, if it were a proper motive. It was stated to you that in the year 1893 there were 248 deaths in Boston of children from marasmus, which, being



interpreted by Mrs. Atwood, meant starvation. In the four months of 1893, beginning with July, as I recollect it, in these four months there were 248 deaths from marasmus. What connection that had with us, of course, was not apparent. She had tried to investigate those cases, she testified, and followed up twenty-five of them, and could find but one "and in that family there is forty cents being paid." She does not even testify that the dead child was insured. If the purpose were to show that probably the 248 were insured *because the family of one of them is now insured*, it is on a par with the other investigations in this case. It was a misleading suggestion, though done perhaps with the best motives in the world, and perhaps believing it to be true. They have got themselves into a state of mind in this case, gentlemen, where they are willing to believe that these people are starved to death, and so it is quite natural, from their point of view, for them to find in 248 all the cases but one case insured: and then to conclude that 248 were. What are the facts? The facts to be proved by us later are that no such number of deaths in Boston occurred at all in those four months from that cause. But with that I haven't any concern. What I have a concern with is to know that in 1893 in the whole city of Boston, and in more than the whole city of Boston because we take in this comparison, as I understand, Newton and Cambridge and Somerville, and those places out-lying,—we had but three deaths from marasmus.

MR. MACCABE. During the same period?

MR. FISKE. During the whole of the year,—three times the period, according to the proofs of death made by the physicians who attended the children. You know in the preparation of proofs of death it is not our physicians who make the certificates—they have nothing to do with it. We require in the proofs of death before we pay a policy the certificate of the attending physician, or else the certificate of the city registrar. If those 248 children had all been uninsured, it is quite apparent that this Committee would have nothing to do with it, and we would have nothing to do with it. The only thing to determine was how many of those 248 deaths, if there were that number of deaths, were insured. For that purpose, I have taken a period four times as long,

and have found that but three deaths from marasmus occurred among our insured in the city of Boston and surrounding suburban districts in that whole year. I supposed that it was intended that you should think that we had a great many deaths from marasmus and that these 248 were probably insured.

MR. MACCABE. No, I don't think that is the impression the Committee received.

MR. FISKE. I am glad you did not. It scared me when I heard it.

MR. MACCABE. It would scare any man with a heart.

MR. FISKE. Yes, it would. And I find that out of 5,512 deaths paid in that year in the whole country but 91 were from marasmus, and I ask any physician if that is not a remarkably small record. The doctors will tell you, I think, that the cause of marasmus and inanition is obscure. Of course, you could have it by starvation, but it isn't necessarily the starvation which comes from lack of food; it may come from a lack of ability to assimilate food, or to assimilate the kind of food that is got. All those things cause marasmus, and I think any one would say that 91 deaths from that cause in a record of six thousand was very small. But small as it was in 1893, in 1894 it was still smaller, the year when we put children in immediate benefits, and we lost children from epidemics of diphtheria, so that we had nine thousand five hundred claims in that year, but only 79 died from marasmus, and in Boston, but two.

THE CHAIRMAN. How many of starvation?

MR. FISKE. None. We never had such a case.

I am come now to a recital of the safeguards which we ourselves have from the beginning put about this business. The first I have already alluded to, which is the low amount of insurance. I believe that the fact would be found to be, if you could have for cross-examination here many of the ladies and gentlemen who signed these petitions that have been presented to you,—you would find that, in their opinion, insurances were granted among children to large amounts. It has been, I know, a misapprehension that children were insured for hundreds and thousands of dollars,—that people have got that notion.

We call all policies on children under 13 years of age infantile policies; all above 13, adult policies.

The average amount paid on infantile policies is \$31, and, as I have already told you, the average amount paid on children under ten years of age is \$28. You see that when you add three years to the ages you have only added three dollars to the average amount. Now, what a commentary that is upon the idea which was at the basis of the remarks of one of the distinguished petitioners here the other day.

His reply to Gov. Long was, "Well, it is a very easy matter to get an average of \$28 by paying a very low amount on some and a very high amount on others." A perfectly proper remark *a priori*, but it does not accord with the facts; and the fact which I am now giving you illustrates that better than anything else, and that is that when you add three years, the difference between 10 and 13, to the tables, and then get the average amount paid at death, you have raised it but \$3, from \$28 to \$31. It shows that large amounts cannot be paid on children.

The next point to which I wish to call your attention in this regard is this, that the longer a child lives the more money is paid at death. If, under our ordinary table, a child at the youngest age (over one year and less than two) dies within one year of the date of policy, we pay \$15; after one year from the date of the policy, and under two years, \$17; and so those amounts go on increasing, and the older the child gets the faster the increase, until after 10 years the amount has reached \$115, where it remains for life. The premium during this period remains the same. In other words, five cents produces, if the child die within a year, \$15; if the child live to the age of 12, the same premium produces \$115; so that there is in that, so far as it goes, an incentive that the child should live and not die at an early age; and of course you will admit that there ceases long before the child reaches 12 all danger of death from neglect, or any form of murder. For I do not make, and I want it understood that I do not make, that fine-drawn, delicate, subtle distinction between starving a child to death and putting a knife in it, that the counsel on the other side do. "We disavow child murder, but you starve them to death" they say in



effect; a monstrous charge, gentlemen, which makes my blood boil whenever I hear it, and to say, as they do, that they are making a concession to us by admitting we do not murder them, but do starve them to death, is adding insult to injury.

MR. READ. We do not charge that, sir.

MR. FISKE. Thank you. I am much obliged to you.

MR. READ. That is not our allegation, and it has not been from the beginning. We charge that you are keeping them without food, but we do not charge, as I have already said half a dozen times, murder. We say great cruelty, and keeping them without food, but we are not charging murder, whether it is starvation, or by a knife or any other way; we are not charging your companies with murder. Now, why can't we understand that distinction?

MR. FISKE. I am simply learning something from you, and I am awfully glad to have that admission from you, sir.

MR. READ. I am not charging murder at all, sir.

MR. FISKE. Well, I am very glad of that. Now, it is a great relief to have my brother state that; and if it is not news to you, it is to me, for I understood the allegations and such proofs as they have presented from the beginning, that this business was, in its essence, an incentive to murder—a temptation to half the people in this community to cause a slow death for want of sufficient and proper food.

Now, if it is not that, gentlemen, what on earth are we considering this bill for? Has it come to this, that when Mr. Fay admits that more than half the children of this Commonwealth could properly be insured, you are to say, as to the other half, that in your opinion the people cannot afford to insure them, and you will not allow them to? Is that the ground we are here on? Are you to discriminate here, in your legislation, between the poor man and the rich, to that extent? Is it possible that you are asked here to say that a man whose income is less than you think it ought to be, should not pay six cents a week for death burial funds? Is it possible that you are asked that? And if under this admission of the counsel you are not asked that, then I do not understand the case we are remonstrating against. The moment you lay aside child murder, the moment you lay aside this more subtle charge of neglect to death, you then come to the

mere question of extravagance, or to that mere question of opinion which charitable people have that the poor, to whom they give their doles, ought to do as the charitable people want them to do. I know what institutionalism is. It is the great curse of it that the people who run these charitable institutions get in the mode of thinking that other people ought to agree with them, and particularly the people whom they help—they have got to agree with them on social questions, on the way that money shall be spent, and what it shall be spent for; but this is the first time, to my knowledge, that they have come before an intelligent Legislature and said, "We will put it on the statute books of the State that these people shall spend their money as we want them to, and shall not spend it as we do not want them to."

Now, under the admissions of their counsel, that is all there is to this case.

The next safeguard that we put against the business is the limiting of the amount of possible insurance which may be taken: that is to say, for children under 6 years of age no higher premium than 10 cents will be accepted, and for children between the ages of 6 and 13 no higher premium than 20 cents will be accepted; we will not insure them for more.

Well, of course, you say *you* won't, but some other company will. We have guarded against that contingency. Our policies read in this wise, on children's policies: "If the insured is now, or may hereafter become, insured in this or any other company or society, and the total premiums on such insurances shall exceed 10 cents per week for ages of 5 years or under, or 20 cents per week for ages between 6 and 13 years, this policy will thereupon become void."

In other words, the moment a person who has a policy on the life of a child in our company for 10 cents goes to the Hancock and gets a policy there even for five cents, that instant this policy becomes void.

Now, not only do we put that on the policies, but we absolutely enforce it, and it is hard to enforce it often. Often and often death claims are put in where we can see that the total amount is not a very great amount, where we can tell

from the surroundings of the parents, from their doctors' bills and from their funeral bills that it would be a mercy and a charity to pay this increased amount of insurance; but we never do. The John Hancock never does. We and that company have an agreement which is carried through by correspondence, so that information is given by which those increased amounts are never paid. But we do, as an act of charity to the people, return the premiums on the excess amount. I do not know — I sometimes think we even do wrong there, inasmuch as these people, under the plain provisions of our policies, ought not to attempt this increased insurance; but we do return them; we give the parents the benefit of the doubt; but we do not pay the policies. In other words, there is an absolute prohibition for more insurance than can be purchased for ten cents a week for ages under 6, — an absolute prohibition for more insurance than can be purchased for 20 cents a week between the ages of 6 and 13; and above that age the company has a check against excessive insurance, by avoiding the policy if the first policy does not contain an endorsement permitting that second policy to remain in force. So that we always have within our control the limitation of the amount of insurance proportionate to the standing of the people, the age of the child, the conditions and circumstances of life. And when these increased amounts do come in we send a medical examiner there, and we take his judgment upon it, as to whether the circumstances of that family are such that they ought to have more insurance.

Then children over six years old, on whose behalf there is applied for an insurance of 20 cents a week, — they are medically examined. In other words, we send a professional man there to look at the surroundings of the place, and to see whether, in his opinion, that insurance ought to be granted, — in the opinion of this intelligent professional gentleman, a physician. Now, what else could we do?

As to the question of insurable interest, I do not suppose that there is any use in my saying anything on that subject, after the witnesses for the petitioners here have been heard.



The longer they studied the subject, and the further they went, the more insurable interest they found; and the more witnesses they called, the clearer they became, until finally they introduced a lawyer, who, after examining all the authorities, thought that, under the law, as I understood him, there was an insurable interest. At any rate, as I have been informed, and believe, the Supreme Court of the United States, which is an authority that we shall have to bow to, has decided, as a matter of law, that the parent has an insurable interest in the life of a child. But, as matter of fact, what Court in Christendom—use your reasoning powers, plain common-sense reasoning powers—what Court in Christendom would ever say that a parent has not got an insurable interest in the life of a child to the extent of the amount of money that it takes to bury it? What kind of position would any company be in, when a parent who wanted money on a policy on a child came in and showed that he paid the burial expenses, if it should say that he had no insurable interest? What, gentlemen, would you think of us if we put in such a plea? What would any Court think of us? Do not let us refine on legal grounds here, when plain common sense will settle it. The man who buries a child and pays the expenses thereof is entitled to the small dole that we pay on such insurances. And, for that purpose, we have provided in these small non-medical policies that the company may pay the sum of money insured here to any relative by blood or connection by marriage of the insured, or to any person appearing to the company to be equitably entitled to the same, by reason of having incurred expenses on behalf of the insured, or for his or her burial. That is the way these policies are payable. They are not payable, these small policies,—they are not payable to any individual. See in what shape that would leave a child in the industrial world. If its father died, and its father was the beneficiary, the Courts hold that that vests the interest in the father; and if the child died after he died, in order to get a proper receipt we would have to have an executor appointed of the father's estate, all to pay him over \$28.

Now, this business must be carried on with reason, and the reasonable way, it seems to me, is to do as we have done,

—to say that if you will present proofs to us that you are a relative of this child, or were properly connected with it, and have paid the doctor, or have paid the undertaker, or have made yourself liable to pay the undertaker, you shall have the amount of money called for by the policy for that purpose.

And what do we find, as matter of fact? We find, as matter of fact, in these cases, that it does go to pay the undertaker. I have here lists of claims recently paid in this vicinity. The Newton district send me in a list of claims whereby it appears that the average amount paid was \$22.64, and that the average amount of undertakers' bills, certified to by the undertakers, over their original signatures, is \$27.77. In other words, it costs, on an average, \$5 more to bury the child than we paid on the amount of insurance; and the undertaker, or some one here, adds that the burial expenses entered above are merely the undertakers' expense bill, and do not include the graves or carriages. The Boston district send in a list, by which it appears that the average amount of claim that we paid, as a matter of fact, for the past ten months, was \$22.33; and the average amount of burial expenses, certified to by the undertaker, is \$26.87. There is \$4.50 more, on the average, for burial expenses, than we paid in claims.

Q. (By Mr. READ). Does that include graves and carriages, the last figure that you gave? A. It does not say that it does not, and therefore I assume that it does.

The Woburn section, for the past 15 months, have paid claims which average \$22.25, and the burial expenses, certified by the undertakers, have been \$28.79; in other words, it has cost, on the average, \$6.50 more to bury the child than was collected in insurance. The Malden section shows that the average amount of claim paid was \$27.40, and the average amount of burial expenses was \$25.77; so that it appears there that the average amount paid by us exceeded the burial expenses by the sum of \$1.70 on the average. In the Roxbury district, the average amount of claim paid during the past four months was \$28.70, and the average amount of burial expenses was over \$33.90.

Q. (By Mr. YOUNG). Just a moment, please, on that, so that no injustice might be done you. Did I understand you correctly to say, Mr. Fiske, that under your policy the undertaker can insure a child for his benefit? A. Oh, not at all, sir.

MR. MACCABE. Mr. Fiske, will you please state that matter clearly, so that the Committee may not misunderstand it?

MR. FISKE. I will make it as clear as I possibly can. In my judgment, and in the judgment of my company, and, so far as I know, in the judgment of both the other companies that are represented here, a person would not be entitled to take a policy upon the life of a child for the mere purpose of paying burial expenses, not having any such relation to the child as makes it the duty of that person to bury it. I was discussing, if you remember, the allegation made here at the earlier part of the hearing that a father has no insurable interest in the life of a child. That was asserted as matter of fact, and as matter of law, that a father or a mother had no insurable interest in the life of a child. Now, I was saying that no Court in Christendom would say that a father or a mother who buried a child would not have an insurable interest to the extent of the burial expenses, and I said, therefore, that this company, knowing the uncertainty of life among the parents, has made the policy so broad that it may determine on the proofs of death who is equitably entitled to the payment of the money; and I think the senator did not hear these words: "to the person appearing to the company to be equitably entitled to the same, by reason of having incurred expense for the burial."

Now, to avoid any misunderstanding, I will say here flat that no undertaker, in my opinion, is equitably entitled to be paid as beneficiary the amount of the policy on the life of a child, if he is no relation or connection of that child; and I will say further that, in the few instances where we have found undertakers attempting to do that, we have cancelled the policies in the lifetime of the insured. There never has been, on the part of this company, the slightest



feeling for an undertaker who attempted thus to traffic in human life, *and as matter of fact we never do pay undertakers.*

Q. (By Mr. DAVIS). Mr. Fiske, that is contrary to the English idea, is it not, that the undertaker may not receive the insurance money to cover the funeral expenses?

A. It is contrary to the ideas set forth by Mr. Waugh, who represents the same kind of agitation that is being made here. He says that the undertakers are the only people who ought to be paid.

Q. Yes, sir. I thought you said so, yesterday.

A. Yes, sir. Mr. Waugh writes pamphlets for the purpose of showing that the undertakers are the only fellows who ought to be paid, and that they ought to be paid directly by the insurance company. But, on the other hand, the Registrar-General, and Dr. Jones, say that the undertakers ought not to be paid.

Now, I hope that the Committee do not misunderstand our attitude on that. There is not any idea whatever, on the part of our companies, that undertakers have any right, nor are they allowed, to take policies on the lives of children to whom they are not related.

Q. (By Mr. MACCABE). Let me ask a question for the purpose of finding out whether the Committee understand this point clearly, Mr. Fiske. Presuming that Mr. Blank, an undertaker, provides a funeral for a child, or is asked to do so, and he should go to your Boston agent and say, "I will bury this child. Will you kindly see that I am paid," you would do that, would you not; that is what you mean, is it not?

A. Only provided the policy holder consents. It is frequently the case that, when these children die, an undertaker says, "Where am I going to get my money?" "Well, I have got the child insured." "All right, then." Then the parent and the undertaker go together to the superintendent, and the money is paid to the parent and he pays the undertaker immediately.

Q. That is what you mean by having an equity, is it?

A. No, sir, because we pay the parent always; we do not pay the undertaker. The mother is paid by check.

Every claim that we pay is paid by check from the home office—the checks are sent to the superintendents of the various districts, and the check must be endorsed with the proper signature of the person to whom it is made payable. And in these cases where the undertakers' bills are paid, the undertakers are not paid by us directly, but the check is drawn to the mother or the father, and that check is endorsed by the mother or the father, and out of the proceeds they pay the undertaker.

Q. (By Mr. HOLLIS). Mr. Fiske, is anyone named as a beneficiary in the policies?

A. No, sir; not on the small policies, for the reasons that I have stated.

Q. Have you one of the blank policies that the Committee could see?

A. Yes, sir; I have two forms here. The pink paper is the non-medical, and the blue ink the medical. And you will notice that on the larger amounts, the medical examination policy is one on which the name of the beneficiary is stated in the application, and the policy reads that we pay either the executor or the administrator, or a relative by blood, or the lawful beneficiary of the insured child. The smaller amounts we make it easy for the parent to collect. We have had applications made over and over again from the large cities that we should recognize assignments of policies made to undertakers. The Undertakers' Association of New York City, and I think of other cities, met a year or so ago, and drew up a form of assignment, by which the parents could assign their policies to the undertakers as security for the burial, and they asked us if we would recognize these assignments, and we promptly said that we would not. They sent us blanks, to know if such blanks were suitable and agreeable to us, and we said they were not; and then they intimated that this company would be boycotted, and we told them to boycott.

Now, there has been, unquestionably, here an attempt made to create a sort of atmosphere about us, which the Committee are supposed to breathe in and absorb, that these companies are great money-making institutions, which traffic

in children's lives for the greed of pelf. I know—I have been in Boston long enough to know—how this sentiment has been persistently spread abroad, how churches have been visited at the time of service, and pastors importuned to sign these petitions, and then, the pastor's name being down, the people would follow, on the theory that there were corporations engaged in making large sums of money out of this infantile insurance business.

The John Hancock is a mutual company, and every dollar that is paid into that company is paid and kept for the benefit of those who are members of that company. The Metropolitan Company is a stock company, but it is limited by its charter to a dividend of seven per cent. on its capital, and in investing the amount of its capital stock it makes five per cent.

Q. (By Mr. MACCABE). Do you have a guaranty fund for the stockholders?

A. No, sir. Under our charter, the entire capital and surplus of the company—capital, as well as surplus, all of it, is held for the protection and security of the policy holders; and we are limited to seven per cent. on the capital, and of that we earn five per cent. by investment, and the result is that our profits are limited to two per cent. or \$40,000 a year; and that is all the money that we can make, no matter what business we may do, and it is all that the stockholders can get. And it has been our aim, gentlemen, and it is our aim, that the surplus of this company having reached a proper amount, as we think—about five millions of dollars including the capital—that thereafter there shall be no attempt whatever to pile up surplus, no matter what our assets may be, except that if any reasonable man would say the surplus ought to be larger, we would increase it—that after that amount is reached the money shall be spent again for the benefit of the policy holders.

There are various ways of doing that. The amount of the premiums may be reduced, the amount of the policies might be increased by way of bonus additions, or we might make certain concessions to policy holders.

Now, we have no right—we are not a charitable insti-



tution under the law — we have no right to give away money except, as we think, under stress of extraordinary circumstances, such as the Roxbury fire, where one of the petitioners' witnesses testified the other day we sent a thousand dollars to be distributed among our own policy holders — such extraordinary conditions as those might call for it, but we have no right, under ordinary circumstances, to do it, and we do not do it to any extent; and we must use the money in the line of our own business.

But a year or two ago, in the year 1893, as you know, there was very great distress and a large number of lapsed policies came in, and in that summer, after full consideration of what we ought to do in the premises, we published a circular, and sent it abroad, and let our policy holders know it, that when the distressing circumstances of the times were over, and they were able to come back again into the company, we would forgive the errors, wipe off the debt due to us, and restore the policies at the then age of the insured. We provided, first, that the owner of a policy lapsed (through inability to pay the premiums) any time since June 1, 1893, and prior to November 6, 1893, on which policy not less than five full years' premiums had been paid, may select either of the following options,—he may take a paid up policy, which we described, or, if he preferred he might make an application for a new policy, issued in lieu of the policy lapsed, requiring no medical examination, bearing the present age, for an amount corresponding with the present age, and in full immediate benefit; which means that if death should occur the next day we would pay the full amount of the policy. For policies on which not less than one full year's premiums have been paid, and which have lapsed since June 1st, 1893, or which may become lapsed through stress of circumstances, new policies will be issued in full immediate benefit, at the present age and with corresponding amount, and all arrears waived, subject, however, to the present rules of medical examination, as applicable to revival applications. In other words, we said that if the policy holder had been with us five years, we did not care whether he was in a fit condition or not; but, if he had

not been with us but for a year, we thought that he ought to be medically examined, in order to be restored. And, when November came we extended these privileges, and still later we did this: We sent out to our superintendents lists of the lapsed policies, with a circular directing them to go round to these people and see them and invite them to come in, on this theory of not paying the arrears; for you know that on all our policies they have the absolute right within a year to come back by paying up the arrears. They have always had that absolute right. But we sent those lapsed lists round to the superintendents, and said, "Invite the people to come back, and do not charge them any arrears." And we put them in at the original age, for the original amount of insurance. And we did more than that,—we instructed our superintendents that in case of a lapsed policy, lapsed during this distressing time, and not renewed or revived, because the party was not able to pay the premiums, and death occurred,—that they should report that case to us; and we paid lots and lots of claims on policies that had no existence whatever, and on which there was not a liability to pay a single cent—simply because those people had been our customers, they had had our policies, they had allowed them to lapse through no fault of their own, and they were in distress and needed the money.

Q. (By MACCABE). Mr. Fiske, will you kindly define the duties of a superintendent?

A. Yes, sir. We have three grades in the field force. There is a certain circumscribed geographical territory, in charge of which there is a man who is called a superintendent, whose duties are defined to be the general executive care, so far as getting the business is concerned, in that district. He has a salary and a contingent interest in the business that is done. That is to say, he is paid on the basis of an increase of business; so that all the policies that are lapsed are charged against that superintendent. We have made it, therefore, by the best means that we know how, his self interest never to lapse a policy—his contingent pay on any policy ceases with its lapse.

Then we have under him a grade of men who are called assistant superintendents. We try to have an assistant super-

intendent for every six, seven or eight agents; and the duties of these assistant superintendents are defined by what the name implies,—they assist the superintendent in the management of that business, instruct the agents, inspect their work, go round with him to see the policy holders, to see that no improper people are put in, to see that no people are put in who cannot afford to pay the insurance premiums, to see that the agent does not force the insurance on people, to see that the agent does not do anything wrong against the people; and it is the duty of the assistant superintendent to keep the agents straight, and to inspect them, and to let the company know if anything is wrong, and he is paid a certain definite sum.

Then we have under the assistant superintendents a class of men called agents, and these men are canvassers, solicitors and collectors. Their duties combine all three functions; the same man canvasses and collects, and he gets a commission for collection; and for the new business he gets, he is paid on the same plan as the superintendent, namely, he is paid a commission on the increase of the business under his charge; so that it is to his interest that no policy should ever lapse. The minute a policy lapses he is obliged to get a new policy to take its place before he begins to be paid any commission.

Q. (By Mr. MACCABE). He does not receive a regular salary?

A. Except so far as you may say his commissions on his collections are a regular salary. Of course that does, in a sense, become a regular salary. Those men, when they come to us, are given a collection book, which contains the names of policy holders who are already in the company, and from the very start they are paid a regular commission of 15 per cent. for collecting those premiums weekly, and then on the increase of business above that they get a commission.

The average pay, as calculated by the head of our auditing division, earned by our agents last year, was something between ten and eleven dollars a week.

During this period of distresses we issued 28,366 renewal policies for an amount of insurance of \$4,385,712, waiving all that was due to us, putting them in full im-



mediate benefit, so that if these people died next day we would have to pay their policies; and we did pay thousands of dollars, nearly thirty thousand dollars, on just these renewal policies.

More than that; we were under no contract with our old policy holders to offer to them a paid-up policy. Their policies did not call for it. But we did adopt a plan of paid-up policy for 1897, which technically was not yet in force; and at about that time, we declared that the same conditions should apply to all existing policy holders, so that any policy holder who has been with us five years,—that is to say, who has been with us long enough so that we have recouped ourselves—might have a paid-up policy.

I want to say here to that bright young lady whose animated countenance and ardent enthusiasm in her work have excited our admiration, and who asked us to start the printing presses going to print these paid-up policies, I want to say to her, if she is within sound of my voice, and if not, I will ask some of her friends to take it to her, that she could not do us a better service than to go right ahead. We do not want the people that she described. She, in ten or twelve years, as I understood it, had something like one hundred and odd cases, and she says—and she described it with great dramatic force—she is the star witness of my friend, Mr. Read—she described with great dramatic force the terrible condition that all the poor people she visited were in, and then, with a woman's logic, which is always charming though never convincing, she remarked, "These are the policy holders of the Metropolitan."

Well, now, she meant it; she believed it; she was convinced of it; and her sweet and gracious heart runs out with pity for those poor people as mine does. A man does not cease to be a man when he becomes an officer of a corporation; and I say to this young woman, "You cannot do better than to go among the people that you described, and if you find they are policy holders, write your applications for your paid-up policies, and send them in." More than that, I say to these charitable organizations here, that if they had only been fair, decent, to us,—if instead of introducing a Bill, and then sending their drag-nets out, perchance to find a

little testimony to hurt us, to further that Bill, — if instead of that they had come to us and said, “ We find distress among your policy holders; we find people who ought not to be insured; we find people who have been cheated by your agents; we find people upon whom policies have been forced — it is not right, Mr. Hegeman — it is not right, Mr. Fiske ”— in an instant the thing would have been corrected, the agent would have been discharged, the money would have been returned to the policy holders, the death claims would have been paid, the lapsed policies would have been renewed, the paid-up policies would have been issued. There is never any difficulty in dealing with an honorable corporation. What on earth do we want with the money we make? What good is it to us, when we are making only two per cent on it? We pile it up for these policy holders, who are our people — they are our customers—our constituents; we get the money from them, and we pay it back to them. And oh, with the dramatic force that this young lady possesses, if she had come here and said to you gentlemen, “ I visited a house yesterday in dire distress and poverty, with a dead child in the house, and not a cent to pay its funeral expenses, and an agent came and said, “Here is your policy, pay your doctor, pay your funeral expenses, pay the expenses of the last sickness,” and then had described to you, with the power that she is able to summon, the glorious good that is done by these policies to these people — the picture would not have been so useful to her case, but it would have been truer than the impression that she sought to create by what she did say. The deeds of mercy, the deeds of goodness, which this insurance does to these people it has been left for Sister Pamela, in the letter which I read yesterday, to describe. I am almost tempted to read it again, except that I would not weary you. She knows what good this company and other companies like us have done in these poor houses; and she says: I have thought it a proper use to make of the money committed to me for charitable purposes to insure these people, to help them to insure, and to pay the premiums on the policies already in force.

Gentlemen, you remember the Johnstown flood? We paid 61 claims there by the time mails could reach the place.

In Scranton one family had six out of seven die of diphtheria, and we paid claims on all. Another family had three deaths in two days, and we paid the claims. Another, three deaths in 13 days, and we paid the claims. In a recent fire in New York, four out of ten of the people in the same factory were insured; and in another four out of five.

MR. READ. Well, was there any reason why you should not have paid the claims?

MR. FISKE. It is fortunate for me that Mr. Read is not a member of this committee. I should be utterly hopeless — utterly hopeless — of getting my ideas into his head. What I was saying, or attempting to say, was that there has been described to this committee the hardships that sometimes come through these poor people raising the money to pay the premiums on their insurance policy; and I wish that I could borrow the eloquence of Mr. Read's client to describe to this committee the glorious sights which would be beheld at the time of the payment of death claims; and I wanted to carry Mr. Read's mind back, and the minds of the gentlemen of the committee, to the Johnstown flood, and to say that 61 claims were paid there — which we ought to have paid — which if you please, we had to pay, but which, nevertheless, we gladly paid; and to say, that no young woman would find it in her heart to complain of those people who got \$100 apiece on the average, because they had scraped together ten cents a week for a few weeks in order to pay the premiums on their policies. That is what I want to say. (Applause).

MR. MACCABE. Mr. Read will reserve his questions and have the privilege of cross-examining to his heart's content later on.

MR. FISKE. It is said to be an advantage to belong to the Episcopal Church, because when the minister leads the service the congregation can jaw back. I do not mind anybody's jawing back. I wish it were in my power to ask the members of the Committee whether they understand me; but I have not the right to ask it. And why I like the interruptions of Mr. Read is that he is perhaps striking a little difficulty that may also be striking the mind of some member of the Committee; and I welcome these interruptions as affording me an opportunity to make myself clear, and to



correct those defects of speech which prevent my putting in to clear and lucid language the ideas which are in my head. Therefore I want to say simply this, that you must not, in sitting here as a judicial body, confine yourselves to a consideration of the hardships of paying ten cents a week, but you ought, in fairness to us, to see the other picture, and see one hundred dollars being paid over to those poor people. That is all that I wanted to say on that matter.

If the Committee do not understand it, if Mr. Read does not understand it, if the ladies and gentlemen of the charitable organizations do not understand it, there are five hundred thousand people in this Commonwealth who do understand it, who have no money to employ counsel to appear before you, whose sole power is to watch the acts of those set over them to govern, and cast their votes. That is all the power they have got. They have not the money to hire people to circulate petitions, or to work up in any other way public agitations, or to hire counsel to appear before you, but they have just as strong feelings as the people who do have such money.

Never in the history of this State has it happened that in any one year there have not been more policy-holders than in any previous year. This business has grown in 15 years until now there must be 250,000 voters in this Commonwealth interested in these two companies; and what I feel is that they have hired me to represent them here. The John Hancock—what is it? What is it? It is nothing more than a name given by law to an aggregation of voters who are its members. That is all the John Hancock is. Call it a corporation, call it a greedy, vicious, natural person created by the Commonwealth to feed upon its citizens—but it is not that. It is cheerful, it is easy, to call names; but all that that company is, is an aggregation of individuals, as in the case of any mutual company, who pay in their money, into a fund, so that if death happen they may take it out, and more. And the same in the Metropolitan, under our charter practically, we are an aggregation of individuals, by reason of the facts that I have given you with reference to the restriction of dividends to two per cent. profit on the capital. These members come before you and say, “First, we are not paupers; sec-

ond, if perchance, in some event of our lives, misfortune and poverty overtake us, and if we are obliged to call in the charitably disposed, while we bless these people for coming to us and assisting us—there are certain rights of manhood and of womanhood which we cannot and will not surrender to them. Mrs. Leach is mistaken in thinking that the parental instinct is dying, or dead, among us. We, the citizens of this Commonwealth, poor, some of us, necessitating charity, — nevertheless have in our hearts as warm a flame of love for our children as the people who would give us money have for theirs; and if we can save five cents a week, if we can borrow five cents a week, if we can beg five cents a week, we do want that, if death o'er-take one of our little ones, it may be laid away in consecrated ground, consecrated either by priest, or by the presence of the members of the family, that it should be laid away with its own kin, that it shall have a decent coffin, that vehicles shall be provided for those who are mourning for the little one, to follow it, — that the last thing we can do for the child we will do, — bury it decently."

THE CHAIRMAN. Do any members of the Committee desire to ask Mr. Fiske any questions?

Q. (By Mr. HOLLIS). Mr. Fiske, allusion has been made to the difference in the cost of this insurance as compared with the old line insurance. You can explain to us, perhaps, why it costs more for the infantile insurance?

A. Yes, sir. In the first place, taking the business as a whole, the rate of mortality is higher; and when I say that the mortality of the business generally is higher, I mean not higher than the population, for in the case of insured children it is lower, but higher than the tables on which the old line companies do their business. They construct their tables on certain bases of mortality, which are only great numbers of insured lives, and those for large amounts.

Now, it was found, in the business, when it was started, that the mortality among the industrial classes was about double that of the mortality among the more favored classes, which were included in the table on which old line companies do business. That includes adults. There were no

children, sir, insured, in those old line companies. And therefore that higher premium became necessary.

The premium is higher for another reason, which you will see at once. In an old line company a man makes an agreement to pay his premiums annually, or semi-annually, or quarterly. He sends his check, and gets back his receipt. These people have to be visited 52 times a year by an agent, and he has to be paid for doing it. The machinery—the whole machinery of running the business is necessarily greater. We have in our home office one thousand clerks attending to our business. We keep a book account with every one of our 15,000 men. We keep a separate account of every policy, in one respect, in that we keep them under the different agencies, so that we are able to tell its condition at any time. These are the two principal reasons why the premiums are higher.

Q. (By Mr. YOUNG). At five cents a week for the first year, for a child, the premium amounts to \$2.60 for the year?

A. Yes, sir.

Q. It is \$15 if death occurs during the first year of insurance. Is it not a fact that in ordinary companies a man of 21, for \$15, carries a thousand dollars, which is one-sixth of one per cent?

A. That may possibly be so, sir, but I have tried to explain the difference, here. Now, one difference, I think, Mr. Young, I think you have overlooked it, but you will understand it the moment I speak of it—the death rate of children, at the age stated, (in other words, between one and two years of age) according to Farr's English table, is 65.59; at age 21 it is about  $8\frac{3}{4}$  in a thousand, sir, as against 65.59; that is the main reason why that high premium is proper at that age; between age 2 and 3 it is 36.14; according to the Prudential experience it is 32.39.

Q. Now, isn't it a fact that the 32 and a fraction in a thousand for the child is because of this promiscuous insurance?

A. Oh, no, sir; because if you take the general tables of mortality, before there were any children insured at all, it was 36 in a thousand. Our mortality, sir, as I showed yes-



terday, our mortality on children is very much less than the tables.

Q. (By MR. READ). I didn't quite understand, Mr. Fiske, what you meant by saying that you represented 350,000 voters, "who have hired me on their behalf to represent them," and that there were 500,000 who will cast their votes. Do I understand you that the casting of votes is an argument before a legislative committee in the way of intimation that possibly they will not be elected at the next election? What does this matter of votes have to do with it; I didn't understand you, again?

A. Then I am very glad you asked the question, sir. I will tell you just what I meant. I meant that practically ours being a mutual company, and I being an officer of it, I considered myself at this hearing the representative of my policy holders in this State, and that I considered myself employed to appear here by them. I then said to the Committee that, as representing the Legislature here, that Legislature was elected by the votes of the people of Massachusetts; that I thought it would be a proper thing for them to hear those 250,000 voters whom they represent under the constitution of this State through my voice, as paid by them, to plead their cause as against the charitably disposed people who said that these 250,000 people should not be allowed to provide \$28 a child, at an expense of six cents a week, for burial. Far be it from me to attempt to intimidate you, or your society, and it would be ridiculous presumption to think of my intimidating the Legislature of Massachusetts.

Q. I think it would, sir, or anybody else.

A. Most people would not have thought of such a thing, Mr. Read. I do not believe anybody did think it but you.

Q. How do you explain the death payments that are advertised in this little paper, — for instance, in 1893, — how do you explain the fact that almost without exception these payments of death claims are paid in what are called the slums?

A. On the theory of your policeman-witness, sir, who said some of the most respectable families he had ever known were in those slums.

Q. Will you be kind enough to mention to me some of the streets in the city of Boston where you have paid policies

on the lives of children who did not live in these poor districts?

A. You must not expect me to know anything about the streets of Boston; but I take up my list of claims paid in Roxbury to which I referred this morning and would like to mention some streets to you and see if they are respectable? Pyncheon St., Falmouth St., Albany St., Lawrence St., Middlesex St., Parker St., Adams St., Longwood Avenue, Oakview Terrace, Sawyer St., Shipley St., Prescott Place and Northfield St.

Q. Do I understand that policies on the lives of children have been taken there?

A. Certainly, I have named you every one we have paid in Roxbury, with one or two exceptions, in four months.

Q. You have heard the testimony here all going one way that there was a very large amount of insurance among the class of people who could not afford it. Don't you give any weight to their statements?

A. I certainly do, sir. But I do not believe it is right to decide a question without hearing the other side. You are hearing it now. And you will hear it from ministers as eminent as those you have produced, and from charitable people with as big hearts and as large purses as you have produced, and from Catholics and Protestants.

Q. And you allow no weight to the testimony of Mrs. Atwood?

A. So far as she personally knew them. I think Mrs. Atwood has been grossly imposed upon. I believe that lots of people to whom she has been giving charity, and of whom she has asked information, perhaps, as to whether they have been spending money in insurance, that in order to get doles from her, they have said yes, when, in fact, they have not. I have no doubt that lots of people have said they spent large amounts of money in insurance when they have not all.

Q. How many agents have you in Massachusetts?

A. Our company has 1236 including 170 medical examiners.

Q. Can you give me the amount of lapses during the last year?

A. I cannot now.

Q. Whatever the amount is, that would represent a total loss to the people who had invested in those policies, would it not? They would lose the money that they had paid in on those policies?

A. Certainly not, sir. In the same way that a man who buys a loaf of bread and eats it has not lost his money.

Q. Yes, but the child hasn't died. Mr. Fiske, understand my question, if a man takes out insurance on his child, and pays it for two or three weeks, or two or three years, and then is unable to carry it further, and stops, the money that he has paid in has gone from him, has it not?

A. Just as the man who has bought a loaf of bread and has eaten it up; he has had his money; he has had his insurance.

THE CHAIRMAN. Mr. Fiske, supposing I explain it as I understand the case. If a man has his house insured in a fire insurance company, pays ten years on that, and his house is not burned up, he is out so much money?

A. Yes, sir.

Q. Now, if a child is insured, and pays for five years, and then lapses, that child has been insured five years, and can't get its money back any more than the man whose house was insured against fire?

A. With this exception, sir, that in the child's case he could get a paid up policy.

Q. (By MR. READ). As I understand it, the paid up policy cannot be taken until 18 years of age?

A. The reason is that the rates of *infantile* insurance are based on what is known as term insurance, — that is the principle of fire insurance applied to life. The curves of mortality, as I have had occasion to explain to you this morning, so run that they are extremely high during the first years of life, but they run steadily down until the age of 13 is reached; and it stands to reason therefore that we can pay a great deal more for the same premium in the second year than in the first year, and in the third year than in the second year, and in the fourth year than in the third year. The mortality starts at 65.59 and runs down each succeeding year of age on our infantile tables. It is therefore the fact— and it has found embodiment in the statutes of the State of



New York — that this children's insurance is considered yearly renewable term insurance, and has been so considered by all the Insurance Departments. On account of the decreasing mortality and the nature of the business they have not required reserves and there is therefore no basis for paid-up policies. If there were, the amount of each policy would be extremely small and the insurance would fail of its purpose as burial insurance. We give increasing insurance each year for the same premium, and five years after the policy attains its maximum amount we give paid-up insurance. The companies have never been able to afford to give more to their policyholders than they are now giving. When they are able to give more they will give it. The legislation proposed here this winter certainly will not help them, but greatly hinder and retard them. The evils of such legislation will fall on the policy holders. And as to the remarks about "losing what has been paid in" although this is not true, yet, if it were, it must be remembered that all life insurance is based on the principle that the living pay for the claims on the dead.

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I beg to add here a few remarks on the subject of lapses, which I found no opportunity of making on the hearing, *apropos* of questions which have been asked about the lapse rate in industrial insurance, and what it means to the companies. The Metropolitan figures do not differ much from those of the Prudential, as given by Mr. Dryden. Our actuary tells me that under normal conditions, 52 per cent. of the policies written are discontinued during the first year, 13 per cent. the second year, and 4 per cent. the third year. This, however, includes policies discontinued by reason of death, and on which death claims are paid; policies discontinued in order to take other policies; and policies discontinued on return of premiums in cases where the company has found that they were procured through misrepresentation. He further tells me that according to the schedules printed in the *Spectator*, an insurance newspaper, the lapse rate of industrial companies was only one-half of one per cent.

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greater in 1894 than the lapse rate of the old line companies, and the lapse rate of the Metropolitan was two and a half per cent. *less* than the lapse rate of the old line companies. Moreover, it is true that the Metropolitan company gained in insurance, in force, last year, more than any other company in the country, industrial or old line. Our figures were \$88,000,000 gain in insurance in force—which exceeds by \$6,000,000, the total net gain made by all the insurance companies of the States of New York and Massachusetts (except the John Hancock Co.) in the year 1894.

On this subject of lapses, these five things are to be remembered about industrial policies: first, that there are 52 opportunities in the year for the lapsing of a policy in the Industrial companies as against, at the most, four times in the old line companies, by reason of the fact that our premiums are payable weekly, while in the old line companies the shortest period is every three months; second, that a lapse in an Industrial company does not mean the same thing as a lapse in the old line companies, for the reason that the Industrial policy holders lapse and enter again, lapse again and re-enter the company, time after time—just as in Mrs. Coakley's case, where three sets, of five policies each, lapsed in one year, and where, by reason of the four weeks' grace on each, she got much more insurance than she paid for. Here were fifteen lapses at a heavy loss to the company, and a real gain to the policy-holder. This is a fair sample case of first-year lapses and shows that the large lapse figures mean nothing but gain to the holder and loss to the company. When it is considered, that the policies of the companies are in force four weeks after the last payment, and that nearly all the lapses occur in the first year, it will readily be seen that the policy holders lose very little indeed by lapsing. It is a fact, that the lapsing during the first year is on policies, the average period of payment of which is eight weeks.

Third, it takes the second and even the third year of continuance in force of a policy to re-coup the Company and put the policy on a paying basis. Mr. Dryden submitted some figures to the New Jersey Legislature which show that at the end of the first year policies in his Company

showed a loss of 290 per cent. of the reserve ; that the second year they had made up only 25 per cent. of the reserve liability ; and the third year they had made up but 52 per cent. So that it was necessary in that Company to wait for the fourth year before the Company had even made its reserve liability, let alone any measure of profit. With our Company it is certainly the third year of the existence of the policy before we are re-couped the amount of reserve liability. And sometimes it is even worse. For instance in the Metropolitan the reserve has not yet been accumulated on policies issued in the years 1880 and 1881. It follows therefore that all lapses made within the first two or three years of issue are a loss to the Company.

Fourth, this being so, the Companies do all that they possibly can to prevent lapses. By the system of paying agents, our Company holds the agent for the lapse of a policy so that he has to write another one of an equal amount of premium to take its place before he is paid a commission. The intention of this rule is solely to make it the interest of the agent not to allow a policy to lapse. Our illustrated paper is filled with admonitions to the policy holder not to lapse his policy. The petitioners themselves in this hearing have read before the Committee the injunctions contained on the premium receipt book, warning the policy holder against lapses. A year or two ago we printed a special pamphlet which has been distributed by hundreds and thousands urging the policy holders not to lapse, and giving reasons for persistence.

Fifth, the lapse ratios we have given include lapses by death ; policies cancelled on which premiums have been returned ; policies surrendered in order to be re-written under some plan preferred by the applicant ; policies surrendered for paid-up policies ; they include a large amount of business which is undoubtedly written out of friendship for the agents with no idea of persistence, and where the policy holders spend little or nothing ; they also include business where the policy holders pay nothing at all, but have been induced to sign applications by the agent's promising to pay the commissions himself, and then when the premiums paid by



the agents have expired have themselves refused to take up and continue the policies; they include children's policies where the loss by reason of lapse in the first year is nothing of any account, and is often a positive gain by reason of reaching and passing a birthday and thereby when renewed calling for a larger amount for the same premium. They also include a lot of lapses where but two or three weeks' premiums have been paid, although the insurance lasted four weeks longer, and where therefore the insured has more insurance than he has paid for, and than his money is worth. It is easy to make the question of lapse seem large and terrible by enumerating figures, but when the above elements are taken into consideration and when it is shown that the lapse rate of Industrial policies is no greater than that of old-line companies, any argument based on this question of lapse before this Committee must certainly fail.

The following opinion was submitted on the hearing before the British Parliament to show that there is no profit whatever attaching to lapses on infantile insurance.

"We have examined the terms and conditions upon which assurances on the lives of children are granted by the Prudential Assurance Company. The peculiarity of the mortality among children is that it is greatest during the first year of life, diminishing afterwards for some years. Assurances on the lives of children therefore, unlike those on the lives of adults, are decreasing risks, and must be regarded as assurances for short terms, and the risk estimated in the same way as in marine, fire, or accident assurances. No reserve is needed for the liability under children's assurances; the weekly premiums provide for the week's claims and expenses, and if there be any surplus after these latter have been paid, such surplus is profit; and as the amount of this profit increases with the number of assurances, it is to the interest of the Company that policies should not lapse. We are therefore clearly of the opinion that the lapsing of these policies is a cause of loss and not of gain to the Company."

That is signed by Mr. Bailey, the actuary of the London Assurance Company, who has been one of the Presidents of the Institute of Actuaries; by T. E. Young, actuary to the

Commercial Union Assurance Company, who is now a Vice-President of the Institute of Actuaries; by Mr. Augustus Hendriks, actuary to the Liverpool and London and Globe Assurance Company, who is also a Vice-President of the Institute of Actuaries; and by Mr. Ralph P. Hardy, who is a well-known actuary.

As to the allegation of the large profits of the Company, we submit an analysis of our business for the last five years, averaged, showing how the total income was distributed.

Death claims . . . . .	36.3 per cent.
Reserve required by law . . .	16 “
Collecting commission to agents .	15 “
Expenses for medical examinations, taxes, licenses, rents, printing, stationery, advertising, general supplies, furniture and fixtures, traveling expenses, postage, expressage, and salaries . . . . .	16.5 “
Commissions for the procurement of new business . . . . .	9 “
Excess in commissions paid arising out of lapses . . .	4.4 “
Surplus margin . . . . .	2.8 “
	<hr/>
	100 per cent.

We have heretofore explained to the Committee how the Metropolitan, being a stock company is limited to seven per cent. dividends, and five per cent. is made out of investment, so that two per cent. on the capital stock, amounting to \$40,000, is all the profit divided among the stockholders; the balance, under our charter, is held as an additional security for the policy holders.











